



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

October 7, 2005

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OFFICE OF GENERAL  
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**MEMORANDUM**

**To:** Lawrence H. Norton  
General Counsel

**Through:** James A. Pehrkon *J.A.P.*  
Staff Director

Robert J. Costa *RJC*  
Deputy Staff Director

**From:** Joseph F. Stoltz *JFS*  
Assistant Staff Director  
Audit Division

Martin L. Favin *MLF*  
Audit Manager

Erica Lee *EL*  
Lead Auditor

**Subject:** Lockheed Martin Employees' Political Action Committee (A03-54)-  
Referral Matters

**AUDIT REFERRAL # 05-10**

On June 6, 2005 the Commission approved the final audit report on the Lockheed Martin Employee's Political Action Committee (LMEPAC). The final audit report includes the following matters that are referable:

- Finding 1 - Disclosure of Operating Expenditures
- Finding 3 - Failure to Maintain Contributor Payroll Deduction Authorizations (PDA)  
LMEPAC was unable to provide a material number of PDAs in response to the final audit report. Per the Audit staff's recommendation, we will be conducting a follow-up review to assure that LMEPAC's PDA processing procedures are adequate.

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All work papers and related documentation are available for review in the Audit Division. Should you have any questions regarding this matter, please contact Erica Lee or Martin Favin at 694-1200.

Attachments: Finding 1 – Disclosure of Operating Expenditures  
Finding 3 – Failure to Maintain Contributor Payroll Deduction  
Authorizations

cc: Lorenzo Holloway

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## **Finding 1. Disclosure of Operating Expenditures**

### **Summary**

LMEPAC failed to accurately disclose sixty disbursements totaling \$69,500 to Mr. Kenneth Phelps, the Assistant Treasurer during the audit period. These items were unauthorized payments to Mr. Phelps, which LMEPAC disclosed as contributions and travel reimbursements to federal/non-federal candidates. LMEPAC complied with the Audit staff's recommendation by filing amended reports correctly disclosing these unauthorized disbursements.

### **Legal Standard**

**Reporting Operating Expenditures.** When operating expenditures to the same person exceed \$200 in an election cycle, the committee must report the:

- Amount;
- Date when the expenditures were made;
- Name and address of the payee; and
- Purpose (a brief description of why the disbursement was made). 2 U.S.C. §434(b)(5)(A) and 11 CFR §104.3(b)(3)(i).

### **Background**

Mr. Kenneth Phelps was the Assistant Treasurer of LMEPAC from August 11, 1997 to February 24, 2004. Mr. Phelps was responsible for the following: depositing contributions; receiving and opening bank statements; preparing and disbursing checks (which were required to have two signatures); data entering the information to create the FEC disclosure reports; and, maintaining all bank records. A Lockheed Martin Corporation internal audit report dated June 2001 recommended that some of the duties performed by the Assistant Treasurer should be assigned to other staff to ensure assets are safeguarded. It appears LMEPAC did not reassign any of Mr. Phelps' responsibilities. In October 2001, Mr. Phelps began writing checks, which according to LMEPAC officials were for unauthorized disbursements to himself. During the period covered by the audit, these 'unauthorized' disbursements totaled \$89,500.<sup>1</sup> As discussed below, \$69,500 was inaccurately disclosed and \$20,000 was not reported at all (See Finding 2). LMEPAC officials stated they were unaware of this activity until communication between the Audit staff and the Treasurer of LMEPAC regarding the upcoming Commission audit. It was at this point that LMEPAC officials discovered that Requests for Additional Information Letters from the Commission's Reports Analysis Division had not been addressed by the Assistant Treasurer. Upon discovery of Mr. Phelps' misappropriation of funds, LMEPAC stated they began an investigation and implemented procedures to improve its internal controls.

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<sup>1</sup> There were additional unauthorized disbursements made subsequent to the period covered by the audit

## **Facts and Analysis**

LMEPAC reported sixty disbursements totaling \$69,500 as either contributions or travel reimbursements to federal/non-federal candidates. The disbursements were actually 'unauthorized' disbursements to Mr. Phelps. According to the LMEPAC officials, Mr. Phelps issued these checks to himself without knowledge or approval from the Treasurer.

At the exit conference, LMEPAC representatives were given a schedule detailing the disclosure errors. They stated they would file amended reports to correct the errors.

## **Interim Audit Report Recommendation**

The Audit staff recommended that LMEPAC:

- Amend its reports to correctly disclose the 'unauthorized' disbursements made to Mr. Phelps; and,
- Provide any additional information that addressed:
  - The efforts of LMEPAC to prevent the misreporting of disbursements (i.e., safeguards and internal controls);
  - The details of when and how LMEPAC officials learned of the 'unauthorized' disbursements; and,
  - The identities of the individuals responsible for establishing the duties of the LMEPAC assistant treasurer position.

## **Committee Response to Recommendation and Audit Staff's Assessment**

In response, LMEPAC filed amended reports correctly disclosing the unauthorized disbursements made to Mr. Phelps and provided additional information regarding the actions taken by Mr. Phelps and LMEPAC.

LMEPAC Counsel (Counsel) stated that the Treasurer was not aware of the unauthorized disbursements until he was contacted by the Audit staff in December 2003 regarding the commencement of the audit. Prior telephone calls and correspondence from the Commission had been intercepted by Mr. Phelps. Furthermore, Counsel stated that LMEPAC officials believed the recommendations provided in the June 2001 Lockheed Martin Corporation Internal Audit Report had been implemented by Mr. Phelps. As a result of the internal audit report, Mr. Phelps was instructed by the Treasurer to outsource the administration of LMEPAC. Mr. Phelps repeatedly assured the Treasurer that this outsourcing was 'in process' and was being delayed because of firewall security issues. Eventually, Mr. Phelps informed LMEPAC officials that the outsourcing was complete and consequently no further action was taken by LMEPAC officials. Once LMEPAC officials were made aware of Mr. Phelps "embezzlement scheme," immediate internal controls and safeguards were incorporated in the administration of the LMEPAC's operations. The disbursement process was de-centralized by check requests being made in one location and the checks being issued in another location. Monthly LMEPAC bank statements were re-directed to the corporate accounting office and an independent reconciliation was completed. Moreover, LMEPAC by-laws were amended to require an audit by an independent accounting firm and federal election law counsel once a year.

### **Finding 3. Failure to Maintain Contributor Payroll Deduction Authorizations**

#### **Summary**

Based on a review of all payroll deduction authorization forms (PDAs) provided by LMEPAC, the Audit staff determined PDAs were not available for 42% of the contributors. In response to the interim audit report, LMEPAC provided a description of policy changes implemented to ensure that such authorizations are maintained in the future and have taken measures to obtain the missing PDAs noted above.

#### **Legal Standard**

**Recordkeeping.** Each political committee or other person required to file any report or statement under this subchapter shall maintain all records relevant to such reports and statements. Records to be maintained with respect to the matters required to be reported, include bank records, vouchers, worksheets, receipts, bills and accounts, which shall provide in sufficient detail the necessary information and data from which the filed reports and statements may be verified, explained, clarified, and checked for accuracy and completeness. The Commission has determined that, under 11 CFR § 104.14(b)(1), separate segregated funds established pursuant to Part 114 of the Commission's rules must maintain copies of Payroll Deduction Authorizations for each individual who makes any contribution(s) via automatic payroll deduction. *See, e.g.* MUR 4955 (Metropolitan Life). 11 CFR §104.14(b)(1).

#### **Facts and Analysis**

The Audit staff reviewed all PDAs provided by LMEPAC both during the audit and subsequent to the conference held at the end of fieldwork. LMEPAC contacted Lockheed Martin Corporation's various payroll centers to obtain the PDAs. According to the Treasurer, Lockheed Martin Corporation merged with numerous companies in recent years, therefore, the PDAs were not always maintained at one location.

The review revealed that LMEPAC did not maintain 42% (1,272 of 3,015<sup>2</sup>) of PDAs required to be maintained. They submitted 14% of the PDAs during fieldwork and 44% of the PDAs following the exit conference.

#### **Interim Audit Report Recommendation**

The Audit staff recommended that LMEPAC demonstrate its compliance with the recordkeeping requirements and attempt to obtain replacement PDAs for those employees whose authorizations could not be located. It was further recommended that in the future

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<sup>2</sup> This represents the number of contributors during the audit period

LMEPAC implement procedures to ensure that PDAs are complete and maintained in an auditable state. Copies of the procedural instructions were to be submitted with LMEPAC's response and were to include an action plan for implementation of the changes. Once these procedures were in place, the Audit staff could verify that they were adequate to assure compliance via follow-up audit work. Although LMEPAC may choose to maintain PDAs at the payroll centers, it was recommended that the copies of PDAs be maintained at the committee headquarters.

### **Committee Response to Recommendation and Audit Staff's Assessment**

LMEPAC stated the Lockheed Corporation and the Martin Marietta Corporation merged in 1995 and became Lockheed Martin Corporation. At the time of this merger there were multiple independent payroll centers in operation throughout the corporation. The following year, the Lockheed Martin Corporation acquired another company which also had numerous payroll locations. Because of the merger and the acquisition, the original PDAs were difficult to locate, especially for some employees who had been contributing for over twenty years. However, LMEPAC officials stated they used extensive resources to locate nearly 60% of the PDAs during the audit fieldwork.

In response to the interim audit report, LMEPAC officials stated they sent letters to individuals with missing PDAs who are still employed with Lockheed Martin Corporation and who are still active contributors.<sup>3</sup> LMEPAC was able to obtain 197 of these missing PDAs. Further, LMEPAC officials stated they were exploring a plan to obtain the PDAs electronically.

To ensure compliance with the regulations, LMEPAC stated they have substantially merged all payroll systems into one location, have created a requirement that all PDAs be sent to the LMEPAC headquarters for permanent retention and have incorporated a review of the PDAs into the annual audit.

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<sup>3</sup> Of the 1,272 contributors missing PDAs, 633 are current active LMEPAC members

## REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: January 12, 2006

ANALYST: Katrina Senger

- I. COMMITTEE: Lockheed Martin Employees' Political Action  
Committee  
(C00303024)  
Mr. Stephen E. Chaudet, Treasurer  
1550 Crystal Drive, Suite 300  
Arlington, VA 22202
- II. RELEVANT STATUTE: 2 U.S.C. §434(b)(2)(A)  
11 C.F.R. §104.3(a)(2)(i)(A)  
11 C.F.R. §104.3(a)(2)(i)(B)

## III. BACKGROUND:

**Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)**

Lockheed Martin Employees' Political Action Committee ("the Committee") filed an Amended 2003 December Monthly Report disclosing \$74,924.16 in additional receipts, an Amended 2003 Year End Report disclosing \$61,325.02 in additional receipts and an Amended 2004 April Quarterly Report disclosing \$57,947.49 in additional receipts (Attachment 2).

**2003 December Monthly Report**

On December 22 2003, a Reports Analysis Division ("RAD") Manager spoke with Tim Jenkins, the Committee's attorney, regarding the Committee's reports. Mr. Jenkins stated that the Committee is undergoing a Commission audit for the 2001-2002 election cycle and informed the RAD Manager that any electronic information submitted to the Commission may not be accurate. The RAD Manager advised the Committee to file the reports and amend them if there are any changes to math figures. In addition to other matters discussed, the RAD Manager advised the Committee to file the past due 2003 December Monthly Report (Attachment 3).

On December 24, 2003, the Committee filed an original 2003 December Monthly Report covering the period from November 1, 2003 to November 30, 2003. This report disclosed \$50,461.42 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$14,856.64 in receipts on Line 11(a)(ii) (Unitemized Contributions

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from Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 23992565905).

On April 6, 2004, the Committee filed an Amended 2003 December Monthly Report covering the period from November 1, 2003 to November 30, 2003. The amended report disclosed \$110,370.04 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$29,818.51 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 24990922301).

On July 13, 2005, a Request for Additional Information ("RFAI") was sent to the Committee referencing the 2004 Amended December Monthly Report received April 6, 2004. The RFAI asked for clarification regarding the \$74,870.49 in additional receipts that were not disclosed on the Committee's original 2003 December Monthly Report (Image 25038834856).

On September 27, 2005, the Committee filed an Amended 2003 December Monthly Report covering the period from November 1, 2003 to November 30, 2003. The amended report disclosed \$110,686.04 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$29,502.51 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$53.67 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 25971093707).

On November 8, 2005 the Committee filed another Amended 2003 December Monthly Report covering the period from November 1, 2003 to November 30, 2003. The amended report disclosed \$110,470.04 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$29,718.51 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$53.67 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 25971444293).

### **2003 Year End Report**

On December 22 2003, a Reports Analysis Division ("RAD") Manager spoke with Tim Jenkins, the Committee's attorney, regarding the Committee's reports. Mr. Jenkins stated that the Committee is undergoing a Commission audit for the 2001-2002 election cycle and informed the RAD Manager that any electronic information submitted to the Commission may not be accurate. The RAD Manager advised the Committee to file the reports and amend them if there are any changes to math figures. In addition to other matters discussed, the RAD Manager verified that the 2003 Year End Report was due on January 31, 2004 (Attachment 3).

On January 30, 2004, the Committee filed its 2003 Year End Report covering the period from December 1, 2003 to December 31, 2003. This original report disclosed \$0.00 in receipts on Lines 11(a)(i)(Itemized Contributions from Individuals/Persons Other than Political Committees), 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 24990315959).

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On April 6, 2004, the Committee filed an Amended 2003 Year End Report covering the period from December 1, 2003 to December 31, 2003. The amended report disclosed \$47,530.75 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$13,695.54 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 24990924549).

On June 29, 2005, an RFAI was sent to the Committee referencing the 2003 Amended Year End Report, received April 6, 2004. The RFAI asked for clarification regarding the \$61,226.29 in additional receipts that were not disclosed on the Committee's original 2003 Year End Report (Image 25038830896).

On September 27, 2005, the Committee filed an Amended 2003 Year End Report covering the period from December 1, 2003 to December 31, 2003. The amended report disclosed \$47,711.49 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$13,514.80 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$98.73 on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 25971094069).

On November 8, 2005, the Committee filed another Amended 2003 Year End Report covering the period from December 1, 2003 to December 31, 2003. The amended report disclosed \$47,610.75 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$13,615.54 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$98.73 on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 25971444674).

#### **2004 April Quarterly Report**

On April 15, 2004, the Committee filed its 2004 April Quarterly Report covering the period from January 1, 2004 to March 31, 2004. This original report disclosed \$38,999.13 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$112,259.21 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$0.00 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 24991008262).

On July 15, 2004, the Committee filed an amended 2004 April Quarterly Report covering the period from January 1, 2004 to March 31, 2004. This report disclosed \$82,325.37 in receipts on Line 11(a)(i) (Itemized Contributions from Individuals/Persons Other than Political Committees), \$126,568.42 in receipts on Line 11(a)(ii) (Unitemized Contributions from Individuals/Persons Other Than Political Committees) and \$312.04 in receipts on Line 17 (Other Federal Receipts) of the Detailed Summary Page (Image 24971332097).

On August 12, 2004, the Committee filed two Amended 2004 April Quarterly Reports covering the period from January 1, 2004 to March 31, 2004. The amended reports disclosed no change in the amount of receipts made by the Committee (Images 24962084051 and 24962084534).

On June 29, 2005, an RFAI was sent to the Committee referencing the 2004 Amended April Quarterly Report, received August 12, 2004. The RFAI asked for clarification regarding the \$57,947.49<sup>1</sup> in additional receipts that were not disclosed on the Committee's original 2004 April Quarterly Report (Image 25038830899).

On July 26, 2005, the Committee filed a miscellaneous electronic submission responding to the RFAI sent on June 29, 2005 referencing the additional receipts disclosed on the 2004 Amended April Quarterly Report. The Committee stated, "The increased receipt amounts were a result of corrections made in the receipts records during the FEC audit performed on years 2001 and 2002. Receipts data files were not imported to the database for December 2003, January, February and March 2004 until the FEC audit was well underway and the accuracy of the files was verified." (Image 25970778932).

On September 27, 2005 the Committee filed an Amended 2004 April Quarterly Report covering the period from January 1, 2004 to March 31, 2004. The Amended report disclosed no change in the amount of receipts made by the Committee (Image 25971094436).

On September 29 2005, a Reports Analysis Division ("RAD") analyst called the Committee regarding the Committee's possible referral to the Office of General Counsel ("OGC"). The Analyst spoke with Zach Sherman, the Committee contact. The Analyst advised Mr. Sherman that the matter of the increase in receipts disclosed on the Amended 2003 December Monthly Report, Amended 2003 Year End Report and Amended 2004 April Quarterly Report was referable to OGC. The Analyst also advised Mr. Sherman to provide any additional details explaining this apparent increase in receipts (Attachment 3).

On October 4, 2005, the Committee filed a miscellaneous electronic submission which stated, "After the termination of the PAC Manager in late 2003, and while the FEC audit was being conducted, at the suggestion of Commission auditors LMEPAC filed reports in a timely manner but with knowledge that these filings would need to be amended with corrections obtained from the audit discoveries<sup>2</sup>. Variations in these amendment filings in receipts and disbursements represent corrections made to 2001, 2002, and 2003 which affected balances carried forward into 2004 and 2005. The changes result from the following types of corrected entries: bank interest and fees which were omitted from the original filings, employee check contributions which were never entered to the database though were deposited to the bank at that time, and entries of unauthorized disbursements..... Also the original 2003 FEC filings contained mismatching period and year cumulative totals." The Committee further stated, "The LMEPAC database was converted to a more integrated software vendor in 2004 so all report totals now tally correctly in the amendment filings." (Image 25971103114)

On October 18, 2005, the RAD analyst spoke with representatives of the Committee via a teleconference call. The Analyst advised these representatives to submit any additional information concerning the OGC referable matters for the public record. Mr. Tim Jenkins, attorney for the Committee, stated that there was no additional information regarding the

<sup>1</sup> The RFAI did not reference Line 17 (Other Federal Receipts); however, the actual amount of the increase on Line 17 (\$312.04) was included in the total amount of additional receipts referenced.

<sup>2</sup> The Party/Non-Party Branch Chief consulted with the lead auditor regarding the Committee's claim that its failure to disclose activity in the original reports referenced within this referral was a result of the audit discoveries for the 2001-2002 election cycle. The lead auditor stated that the audit only covered activity in 2001 and 2002 and that no guidance was provided to the Committee on activity pertaining to the 2003-2004 election cycle.

referable matters beyond what had been previously disclosed on the public record in the miscellaneous electronic submission filed on October 4, 2005 (Attachment 3).

On November 8, 2005 the Committee filed an Amended 2004 April Quarterly Report covering the period from January 1, 2004 to March 31, 2004. The amended report disclosed no change in the amount of receipts made by the Committee (Image 25971445125).

To date, no further communication has been received from the Committee regarding these matters.

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JACKHEED MARTIN EMPLOYEES' POLITICAL ACTION COMMITTEE

, Stephen Mr. Chaudet

1550 Crystal Drive

Arlington

NON-PARTY QUALIFIED  
VA 22202

ID #C00303024

FILING FREQUENCY: QUARTERLY

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
1			A	2/24/2004	4	24990656890						
1			A	8/24/2004	5	24962269961						
MS			T	12/24/2003	2	23992565901						
MS			M	1/27/2004	1	24990183248						
MS			O	5/18/2004	2	24038413020						
MS			T	5/27/2004	1	24961495718						
MS			T	6/14/2004	6	24038425036						
MS			T	6/22/2004	3	24038431722						
MS			T	9/28/2004	1	24971593546						
MS			T	10/19/2004	1	24971764938						
RQ			7	4/09/2003	2	23038051786	2/01/2003 2/28/2003					
RQ	M2		7	3/12/2003	2	23038013192	1/01/2003 1/31/2003					
RQ	Q1		5	6/13/2003	2	23038104086	1/01/2003 3/31/2003					
RQ	M5		7	6/06/2003	2	23038102177	4/01/2003 4/30/2003					
RQ	M6		7	7/10/2003	2	23038132429	5/01/2003 5/31/2003					
RQ	Q2		2	11/26/2003	4	23038243707	4/01/2003 6/30/2003					
RQ	M8		2	5/05/2004	3	24038402863	7/01/2003 7/31/2003					
RQ	M8		7	9/09/2003	2	23038201814	7/01/2003 7/31/2003					
RQ	M9		7	10/10/2003	2	23038222220	8/01/2003 8/31/2003					
RQ	M11		7	12/10/2003	2	23038251490	10/01/2003 10/31/2003					
RQ	M12		2	5/05/2004	3	24038402866	11/01/2003 11/30/2003					
RQ	M12		2	7/13/2005	3	25038834856	11/01/2003 11/30/2003					
RQ	YE		2	5/12/2004	5	24038410146	12/01/2003 12/31/2003					
RQ	YE		2	6/29/2005	3	25038830896	12/01/2003 12/31/2003					
RQ	Q1		2	9/22/2004	3	24038521594	1/01/2004 3/31/2004					

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FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
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RQ	Q2	2		10/06/2004	4	24038531944	4/01/2004 6/30/2004					
RQ	Q2	2		6/29/2005	3	25038830893	4/01/2004 6/30/2004					
3	Q1	N	P	4/18/2003	212	23990795415	1/01/2003 3/31/2003	13810	186673	147752	52731	0
3	Q1	A	P	9/27/2005	105	25971092586	1/01/2003 3/31/2003	1236-	186911	147752	37922	0
3	Q2	N	P	7/21/2003	552	23991533567	4/01/2003 6/30/2003	52731	185364	253906	15810-	0
3	Q2	A	P	7/21/2003	555	23991537363	4/01/2003 6/30/2003	52731	190910	253906	10264-	0
3	Q2	A	P	9/27/2005	246	25971092691	4/01/2003 6/30/2003	37922	198407	254906	18575-	0
3	Q2	A	P	11/08/2005	242	25971443078	4/01/2003 6/30/2003	37922	190910	254906	26073-	0
3	M8	N	P	12/24/2003	198	23992564824	7/01/2003 7/31/2003	10264-	73944	59304	4375	0
3	M8	A	P	9/27/2005	202	25971092937	7/01/2003 7/31/2003	18575-	73965	66998	11609-	0
3	M8	A	P	11/08/2005	201	25971443320	7/01/2003 7/31/2003	26073-	73965	66998	19106-	0
3	M9	N	P	12/24/2003	198	23992565022	8/01/2003 8/31/2003	4375	61706	1000	65082	0
3	M9	A	P	9/27/2005	203	25971093139	8/01/2003 8/31/2003	11609-	61725	10041	40075	0
3	M9	A	P	11/08/2005	202	25971443575	8/01/2003 8/31/2003	19106-	61725	10041	32577	0
	M10	N	P	12/24/2003	650	23992565220	9/01/2003 9/30/2003	65082	134744	104450	95377	0
	M10	A	P	9/27/2005	343	25971093343	9/01/2003 9/30/2003	40075	136646	107471	69249	0
	M10	A	P	11/08/2005	342	25971443817	9/01/2003 9/30/2003	32577	136646	107471	61752	0
	M11	N	P	12/24/2003	16	23992565870	10/01/2003 10/31/2003	95377	0	39710	55667	0
	M11	A	P	9/27/2005	19	25971093686	10/01/2003 10/31/2003	69249	43	46733	22559	0
	M11	A	P	11/08/2005	19	25971444164	10/01/2003 10/31/2003	61752	43	46733	15062	0
	M12	N	P	12/24/2003	356	23992565903	11/01/2003 11/30/2003	55667	65318	9304	111681	0
	M12	A	P	4/06/2004	2110	24990922299	11/01/2003 11/30/2003	57710	140188	9304	188595	0
	M12	A	P	9/27/2005	362	25971093705	11/01/2003 11/30/2003	22559	140242	12013	150788	0
	M12	A	P	11/08/2005	360	25971444291	11/01/2003 11/30/2003	15062	140242	12013	143290	0
3	YE	N	P	1/30/2004	6	24990315957	12/01/2003 12/31/2003	111681	0	256	111425	0
3	YE	A	P	4/06/2004	1434	24990924547	12/01/2003 12/31/2003	188595	61226	256	249565	0
3	YE	A	P	9/27/2005	367	25971094067	12/01/2003 12/31/2003	150788	61325	1090	211023	0
3	YE	A	P	11/08/2005	366	25971444672	12/01/2003 12/31/2003	143290	61325	1090	203525	0
3	Q1	N	P	4/15/2004	186	24991008260	1/01/2004 3/31/2004	294577	151258	182407	263428	0

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OCKHEED MARTIN EMPLOYEES' POLITICAL ACTION COMMITTEE

.. Stephen Mr. Chaudet

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ILING FREQUENCY: QUARTERLY

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
3	Q1	A	P	7/15/2004	103	24971332095	1/01/2004 3/31/2004	294577	209205	182647	321135	0
3	Q1	A	P	8/12/2004	104	24962084049	1/01/2004 3/31/2004	294577	209205	184647	319135	0
3	Q1	A	P	8/12/2004	104	24962084532	1/01/2004 3/31/2004	294577	209205	183647	320135	0
3	Q1	A	P	9/27/2005	104	25971094434	1/01/2004 3/31/2004	211023	209205	183647	236581	0
3	Q1	A	P	11/08/2005	104	25971445123	1/01/2004 3/31/2004	203525	209205	183647	229084	0
3	Q2	N	P	7/15/2004	282	24991219621	4/01/2004 6/30/2004	321135	221960	287650	255445	0
3	Q2	A	P	8/12/2004	287	24962084172	4/01/2004 6/30/2004	321135	237766	289650	269252	0
3	Q2	A	P	8/12/2004	287	24962084903	4/01/2004 6/30/2004	320135	237766	287650	270252	0
3	Q2	A	P	9/27/2005	287	25971094538	4/01/2004 6/30/2004	236581	237766	287650	186698	0
3	Q2	A	P	11/08/2005	287	25971445227	4/01/2004 6/30/2004	229084	237766	287785	179065	0
3	Q3	N	P	10/14/2004	280	24962453209	7/01/2004 9/30/2004	270252	235152	72728	432676	0
3	Q3	A	P	3/29/2005	280	25990330662	7/01/2004 9/30/2004	270252	235152	72728	432676	0
3	Q3	A	P	9/27/2005	279	25971094825	7/01/2004 9/30/2004	186698	235152	72728	349122	0
3	Q3	A	P	11/08/2005	279	25971445515	7/01/2004 9/30/2004	179065	235152	72818	341399	0
3	12G	N	P	10/21/2004	385	24962656364	10/01/2004 10/13/2004	432676	192386	151170	473893	0
3	12G	A	P	3/29/2005	384	25990330942	10/01/2004 10/13/2004	432676	192386	151170	473893	0
3	12G	A	P	9/27/2005	384	25971095104	10/01/2004 10/13/2004	349122	192386	151170	390339	0
3	12G	A	P	11/08/2005	384	25971445958	10/01/2004 10/13/2004	341399	192386	151170	382616	0
	30G	N	P	11/30/2004	388	24971947947	10/14/2004 11/22/2004	473893	109564	199000	384458	0
	30G	A	P	10/04/2005	388	25980630843	10/14/2004 11/22/2004	390339	109559	199000	300899	0
	30G	A	P	11/08/2005	389	25971446342	10/14/2004 11/22/2004	382616	109559	199063	293112	0
	YE	N	P	1/25/2005	392	25980328980	11/23/2004 12/31/2004	384453	95310	0	479764	0
	YE	A	P	10/04/2005	392	25980631231	11/23/2004 12/31/2004	300899	95310	0	396209	0
	YE	A	P	11/08/2005	393	25971446953	11/23/2004 12/31/2004	293112	95310	19	388403	0
							TOTAL		1931145	1541506		

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JCKHEED MARTIN EMPLOYEES' POLITICAL ACTION COMMITTEE

., Stephen Mr. Chaudet

1550 Crystal Drive

Arlington

NON-PARTY QUALIFIED

VA 22202

ID #C00303024

FILING FREQUENCY: QUARTERLY

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
MS			T	7/26/2005	1	25970778932						
MS			T	10/04/2005	1	25971103114						
3	MY	N	P	7/26/2005	354	25970776688	1/01/2005 6/30/2005	479764	462538	483560	458742	0
3	MY	A	P	8/23/2005	354	25980623415	1/01/2005 6/30/2005	479764	462538	483560	458742	0
3	MY	A	P	10/04/2005	354	25980631657	1/01/2005 6/30/2005	396209	462538	483560	375188	0
3	MY	A	P	11/08/2005	354	25971447542	1/01/2005 6/30/2005	388403	462538	483560	367382	0
TOTAL									462538	483560		

**Lockheed Martin Employees' Political Action Committee (C00303024)****2003 December Monthly Report/Amended 2003 December Monthly Report  
Overview of Receipt Variance**

Report Line	Original 2003 December Monthly Report, Received 12/24/2003 (Image 23992565903)	Amended 2003 December Monthly Report, Received 11/8/2005 (Image 25971444291)	Receipt Variance
11(a)(i)	\$50,461.42	\$110,470.04	\$60,008.62
11(a)(ii)	\$14,856.64	\$29,718.51	\$14,861.87
17	\$0.00	\$53.67	\$53.67

**2003 Year End Report/Amended 2003 Year End Report  
Overview of Receipt Variance**

Report Line	Original 2003 Year End Report, Received 01/30/2004 (Image 24990315957)	Amended 2003 Year End Report, Received 11/08/2005 (Image 25971444672)	Receipt Variance
11(a)(i)	\$0	\$47,610.75	\$47,610.75
11(a)(ii)	\$0	\$13,615.54	\$13,615.54
17	\$0	\$98.73	\$98.73

**2004 April Quarterly Report/Amended 2004 April Quarterly Report  
Overview of Receipt Variance**

Report Line	Original 2004 April Quarterly Report, Received 04/15/2004 (Image 24991008260)	Amended 2004 April Quarterly Report, Received 08/12/04, (Image 24962084049)	Receipt Variance
11(a)(i)	\$38,999.13	\$82,325.37	\$43,326.24
11(a)(ii)	\$112,259.21	\$126,568.42	\$14,309.21
17	\$0	\$312.04	\$312.04